

**STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA**

Revised Effective September 2, 2003

**POLICY NO. DI-01-2003
(B,SB,SL)**

**[Rescinds Policy Nos.
DI-01-02, B-03-95,
SL-03-95, and SB-03-95]**

ELECTRONIC FINANCIAL TERMINAL POLICY

PURPOSE:

To establish procedures for the establishment and operation of an off-site electronic financial terminal (EFT) by a state-chartered financial institution. An EFT shall include, but not be limited to, automated teller machines, cash dispensing machines, script machines, automated loan machines, point of sale terminals, or similar electronic devices.

TO WHOM THIS POLICY APPLIES:

All state-chartered banks, savings banks, and savings and loan associations, or any subsidiaries thereof.

BACKGROUND:

Act 354 of 1995, effective June 16, 1995, defines a branch or branch office as a manned office and excludes EFTs. Therefore, various requirements contained within LCA 10: Part I: Chapter 7, (RULES AND REGULATIONS FOR MAKING APPLICATION TO THE OFFICE OF FINANCIAL INSTITUTIONS) are inoperative. This policy describes the procedures necessary for the establishment and operation of an EFT.

SPECIFICS:

1. ESTABLISHMENT

Financial institutions may own, lease, or operate an EFT by giving this office notice at least *14* calendar days prior to the first day of operation of the machine. The notice shall contain the following:

- (1) the name and address of the financial institution,
- (2) the proposed address,
- (3) the "popular name" of the machine, and
- (4) the number of machines to be operated at the location.

The *14* calendar-day period shall not begin until the date of receipt by this office of a complete notification, inclusive of any required fee.

Financial institutions must disclose any involvement by a director or an employee. Additionally, any involvement by a shareholder who directly or indirectly controls ten percent or more of any class of voting stock must be disclosed. Involvement includes, but is not limited to, an interest in the sale or lease of property or equipment, legal fees, accounting fees, construction contracts, or consulting contracts.

The notification, when filed, must be accompanied by an official check in the amount of \$100 for each EFT, which is to cover the cost of the notification fee.

Financial institutions may apply for two or more EFTs in one notification. An institution may request that a reduced fee be charged for the simultaneous filing of multiple notifications. However, the additional EFTs must reasonably be expected to be put into operation in the next 12 months.

2. PUBLICATION

Financial institutions are **not** required to publish a newspaper notice regarding the establishment of the EFT either in the community in which the EFT will be located or in the community of the financial institution's main office.

3. INDIAN TRIBAL LANDS

Financial institutions wishing to operate an EFT on land owned by an Indian Nation must first contact this office regarding any special requirements for such a facility.

4. MOBILE LOCATION

Financial institutions wishing to operate a mobile EFT must include the proposed parish(es) of operation. When an institution decides to utilize the mobile EFT in an additional parish(es), prior written notification of at least seven days must be given to this office.

Financial institutions must also maintain a log of the activity of the mobile EFT. The log should, at a minimum, indicate the date of operation and the location where the mobile EFT was operated. At a minimum, the log must be maintained until the next OFI examination.

5. OUT-OF-STATE

Financial institutions must provide evidence to this office that they have been authorized to transact business in another state.

Pursuant to applicable interstate cooperative agreements, this office will, upon receipt of a notification of an institution's intent to operate an EFT in another state, notify the appropriate state regulator and provide them a 10 business day comment period regarding the notification.

6. APPROVAL

Financial institutions that have not received a request for additional information or a notice that the request has been denied, may begin operating an in-state EFT after the end of the 14-day notification period. This approval is valid for one year beginning 14 days following receipt of the notification by this office.

Regarding the notification to establish an EFT in another state, financial institutions must wait until approval is received from this office before operating the EFT in another state.

7. RELOCATION OR CLOSURE

Financial institutions wishing to relocate or close an electronic financial terminal must give this office proper notification of the change at least 14 days prior to the event. This notification must contain the following:

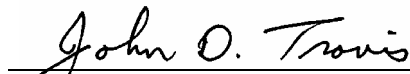
- (1) the name and address of the financial institution,
- (2) the address of the current facility,
- (3) the address of the proposed facility (if applicable),
- (4) the number of machines to be relocated or closed, and
- (5) the effective date of the relocation or closure.

At least 14 days prior to the relocation or closure, the financial institution must post a notice to the customers in a conspicuous location or near the machine informing them of the relocation or closure. Following the relocation or closure of the facility, the Certificate of Authority for this location must be returned to this office.

8. OPENING

Financial institutions must notify this office in writing that the EFT has been placed in operation, on or immediately following the effective date of the establishment of the EFT. This office will then issue a Certificate of Authority for the operation of the EFT.

The Commissioner may waive any of the above requirements provided the request is submitted in writing and clearly outlines the need for such a waiver.



John D. Travis, Commissioner